

Message Text

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TO AMEMBASSY OTTAWA PRIORITY

S E C R E T STATE 194507

EXDIS

FOLLOWING REPEAT NEW DELHI 10311 ACTION SECSTATE DTD 31 JUL

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S E C R E T NEW DELHI 10311

EXDIS

FOLLOWING REPEAT BOMBAY 1907 SENT ACTION NEW DELHI DTD

30 JUL 75.

QUOTE:

BOMBAY 1907

EXDIS

E.O. 11652: XGDS-1

TAGS: PFOR TECH PARM IN US XGGW XR

SUBJ: IAEC DEVELOPMENTS AND NUCLEAR EXPORT POLICY

REF A) NEW DELHI 9984; B) STATE 172122

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1. I MET WITH IAEC CHAIRMAN SETHNA THIS MORNING 30TH IN CONTEXT

OUR PERIODIC REVIEW NUCLEAR MATTERS OF MUTUAL INTEREST.
INSTRUCTIONS REFTELS CARRIED OUT ALONG LINES INDICATED.

2. CONGRATULATED SETHNA ON BEING NAMED CHAIRMAN MAHARASHTRA ACADEMY OF SCIENCE. HE SAID HE COULDN'T EVEN TELL ME WHAT IT WAS ALL ABOUT AS YET. IN RESPONSE MY QUESTION, HE ESTIMATED REFUELING OF UNIT II REACTOR TARAPUR WOULD BE COMPLETED BY END SEPTEMBER. SAID HE MIGHT NEED TO ASK US FOR SOME HELP IN REPLACING SOME SPARES THAT WILL BE USED DURING THE REFUELING PROCESS GIVEN LONG DELIVERY TIMES INDICATED FOR SOME OF THEM (HE MENTIONED 50 WEEKS, FOR EXAMPLE). HE POINTED OUT THAT BOILING WATER REACTOR OF TARAPUR GENERATOR BECOMING OBSOLETE AND INCREASINGLY DIFFICULT TO OBTAIN REPLACEMENT SUCH ITEMS AS PUMPS. AT SAME TIME HE THOUGHT THEY COULD OPERATE TARAPUR WELL BEYOND ITS PROJECTED 25 YEAR LIFE SPAN.

2. ON SPENT FUEL REPROCESSING PLANT AT TARAPUR, SETHNA SAID IAEA INSPECTORS WOULD BE COMING FOR OCTOBER ONE CHECKOUT FOR START-UP. SAID HE DIDN'T KNOW WHY IAEA HAD DECIDED GIVE UP ON INSTALLATION MONITORING SYSTEM. A UNIQUE OPPORTUNITY AND HE HAD BEEN PERFECTLY WILLING COOPERATE PROVIDED NO DELAY IN START-UP.

4. ON CONTRACT TO MEASURE PLUTONIUM IN TARAPUR FUEL PINS, SETHNA SAID USAEC IN AGREEMENT BUT IAEA HAS STILL NOT COMPLETED. HE DIDN'T KNOW WHY THE DELAY.

5. SETHNA SAID HE DIDN'T KNOW WHETHER HE WOULD BE ATTENDING IAEA SCIENTIFIC ADVISORY GROUP MEETING VIENNA ON SEPTEMBER 20 OR IAEA MEETING ON 22ND. SAID HE WOULD POSSIBLY "HAVE TOO MUCH ON HIS PLATE THEN".

6. HE ASKED IF THE INFORMATION HE HAD PROVIDED US FOR PRE-LICENSE CHECKS ON THE IAEC ORDERS FOR SOME HAFNIUM AND THE TWO INTERACTIVE DISPLAY TERMINALS HAD BEEN SUFFICIENT. SAID HE HAD NOT LOOKED INTO HIMSELF AND I SAID THAT I HAD HAD NO FURTHER WORD FROM WASHINGTON AND PRESUMABLY EVERYTHING IN ORDER.

7. SETHNA SAID HE WOULD APPRECIATE KNOWING NAME AND TITLE ETC. OF HIS "OPPOSITE NUMBER" IN ERDA, SO THAT HE WOULD BE IN A POSITION TO WRITE TO HIM ON APPROPRIATE OCCASIONS.

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FYI: SETHNA INDICATED HE WOULD LIKE TO INVITE HIS OPPOSITE NUMBER TO VISIT INDIA IN THE NOT TOO DISTANT FUTURE AND INDICATED THAT HE DID NOT NECESSARILY WISH GET CAUGHT UP WITH INDIAN EMBASSY ON THIS ONE. COMMENT: WOULD APPRECIATE INFORMATION ON WHICH TO RESPOND TO SETHNA'S REQUEST.

8. I RECALLED THAT IN OUR CONVERSATION JUNE 20, HE HAD INDICATED HIS IMPRESSION THAT THE US HAD BID ON THE BRAZILIAN FUEL CYCLE

BUT HAD LOST OUT TO FRG DUE TO HIGHER BID. I THEN DREW UPON MATERIAL PARA 5 AND PARA 6 C REFTEL B. POINT MADE AND SETHNA BOTH INDICATED AND APPEARED TO BE SATISFIED ON THIS SCORE.

9. THIS LED TO MY RECALLING THAT ON JUNE 20 HE HAD SAID THAT INDIA WAS NOT GOING TO SUPPLY NUCLEAR TECHNOLOGY TO OTHER COUNTRIES AND I STRESSED THAT WE WELCOMED INDIA'S COOPERATION IN THIS AREA (PARA 5 REFTEL B). HOWEVER, HE HAD SAID THAT HE DIDN'T KNOW HOW LONG INDIA WOULD MAINTAIN THIS POSITION SINCE PRESSURE WOULD INEVITABLY MOUNT TO SELL NUCLEAR TECHNOLOGY TO OTHER COUNTRIES. SETHNA CONFIRMED LATTER AND SAID PRESSURE IS INDEED MOUNTING IN DELHI FOR REVIEW INDIA'S POSITION ON THIS. WHY? SETHNA RESPONDED SAYING THE CANADIAN POSTURE WAS A MAJOR FACTOR IN INFLUENCING GOI'S ATTITUDE ON THIS. SETHNA MANIFESTED VISIBLE IRRITATION WITH THE CANADIANS AT THIS POINT (PLEASE HOLD CLOSELY) SAYING "THOSE BUGGERS JUST CAN'T MAKE UP THEIR MINDS." SAID HE HAD BEEN TRYING SINCE JANUARY TO REACH AN UNDERSTANDING WITH THEM. AT LAST MEETING IN MAY, CANADA WAS TO HAVE RESPONDED BY END OF MONTH. NOW END OF JULY AND NO WORD YET. SETHNA WENT ON SAY THAT WHEREAS INDIA'S ORDERS WITH CANADA HAD NOT ONLY BEEN CANCELLED BUT HE COULDN'T EVEN OBTAIN REPLACEMENT OF DEFECTIVE CANADIAN EQUIPMENT (REACTOR BLADES, FOR EXAMPLE). HE CONTRASTED THIS WITH HIGHLY FAVORABLE TREATMENT ACCORDED BY US TO INDIA ON TARAPUR. NOT ONLY HAVE THEY CANCELLED EXPORT LICENSES, HE SAID, BUT THEY ARE "ENCOURAGING" ALLIS-CHALMERS CANADA TO SUE THEM FOR FAILURE TAKE DELIVERY OF COMPRESSORS FOR WHICH EXPORT LICENSE CANCELLED. IN ANY EVENT, CANADA DELAYING UNREASONABLY RESOLUTION OF THESE MATTERS. SETHNA SAID HE HAD BENT OVER BACKWARDS AND EVEN OFFERED UNILATERAL DECLARATION BY INDIA RELATED TO SAFEGUARDS BUT JUST HASN'T BEEN ABLE TO GET ANSWER.

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10. IN ANY CASE, SETHNA SAID, PM IS "HOPPING MAD" AND "FURIOUS WITH CANADA". SETHNA WENT ON SAY "INDIA WILL NOT BE DRIVEN INTO A CORNER" AND IF OTHERS "NOT PREPARED TO TRUST INDIA, THEN THEY MUST ACCEPT CONSEQUENCES." HE SAID HE PERSONALLY SHARES OUR VIEW ON NEED FOR RESPONSIBLE EXPORT POLICIES AND RESTRAINT AS REGARDS REPROCESSING (HE SAID HE NOT INTERESTED IN ENRICHMENT), BUT HE OF OPINION GOI MIGHT POSSIBLY UNDERTAKE REVIEW OF ITS NUCLEAR EXPORT POLICY WITHIN 30 DAYS ALTHOUGH HE HAD NO IDEA WHEN A DECISION MIGHT BE TAKEN. THIS COULD POSSIBLY RESULT IN INDIAN EXPORT ON NUCLEAR TECHNOLOGY TO SIGNATORIES NPT. I STRESSED THAT I DIDN'T SEE WHY INDIA'S DIFFICULTIES WITH CANADA NEED TRIGGER MODIFICATION INDIA'S NUCLEAR EXPORT POLICY AND EXPRESSED HOPE THIS WOULD NOT BE CASE. SETHNA ACKNOWLEDGED THAT A DIALOGUE BETWEEN NUCLEAR SUPPLIERS

AND US WAS NEEDED AND I DREW BRIEFLY ON PARA 6 REFTTEL B IN THIS CONNECTION OBSERVING STRICTURES REFTELS.

11. IN AN ASIDE, SETHNA ALSO MANIFESTED SOME FRUSTRATION OVER HIS APPARENT EFFORTS TO CONVINCE CANADIANS INDIA NOT GOING IN FOR NUCLEAR WEAPONS PROGRAM. SAID THAT IF HE DIVERTED 10 PER CENT OF IAEC CURRENT EFFORT TO WEAPONS PROGRAM, HE COULD DEVELOP SUCH A CAPABILITY "WITHIN A RELATIVELY SHORT TIME". HOWEVER, HE SAID, THIS NONSENSE FOR INDIA SINCE IT WOULD TAKE "5 TO 700 CRORES". SAID HE HAD STRESSED THAT THIS AMOUNT "CAN'T BE HIDDEN" AND HAS TO SHOW UP IN IAEC, DEFENSE OR SOME OTHER BUDGET.

12. COMMENT: REGARDLESS OF REASON ADVANCED (CANADA OR OTHER), SETHNA IS SUGGESTING THAT GOI MAY MODIFY ITS NUCLEAR EXPORT POLICY IN THE NOT TOO DISTANT FUTURE. WHILE HE DID NOT ASK ABOUT NUCLEAR SUPPLIER MEETINGS WHICH HAVE BEEN HELD OR IN ANY WAY SUGGEST INDIA'S INCLUSION, IT EVIDENT THAT HE AT LEAST FEELS INDIA ISOLATED AND DISTRUSTED BY CANADA AT LEAST AND THIS COULD LEND MOMENTUM TO A "GO IT ALONE" POLICY HERE. INDIA'S EARLY INVOLVEMENT IN A DIALOGUE WITH US AND CERTAIN OF THE OTHER NUCLEAR SUPPLIERS MIGHT HELP OFFSET THIS FEELING AND LEAD TO CONTINUED INDIAN COOPERATION. OTHERWISE INDIA MAY MOVE TO EXPORT FUEL REPROCESSING TECHNOLOGY PRESUMABLY TO NPT SIGNATORIES IN THE NOT TOO DISTANT FUTURE. I RAISED AND SETHNA RULED OUT ANY INDIAN INTEREST IN A REGIONAL FUEL REPROCESSING
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FACILITY IN INDIA. SAID HE HAD DISCUSSED THIS BEFORE IN VIENNA.
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